

TRANSPORTATION SUMMIT

ISSUE: Commerce and Trade

Comments from Planning Team at October 13, 2003

Auto Industry

- Auto companies who rely on good highways to sell their products want more funding for the highways but do not support user fee increases.
- Also heard that the number of flights per capita is relatively low for Michigan compared to other states.
- We heard that a plant shutdown could cost \$1.5million/hour.
- We heard that the business model has changed to just-in-time delivery, which has a huge impact on the transportation system.

Aviation Industry

- We have lost on average one general aviation airport per year in the last 20 years and have built no new ones.
- The Small Aircraft Transportation System (SATS) purports to be the next generation of commuter travel.

Border Crossings

- Border inspections are costing the United State's economy \$10 billion annually.
- Congestion and inefficiency of borders between the United States and Canada have issues that radiates throughout the U.S.
- Talked about trade and the need for a new international border crossing in the Detroit area.
- The perceived or actual need for tightened security sometimes trumps everything else including sharing knowledge the agencies need to improve or maintain the infrastructure. For example, building a new border crossing to accommodate more trucks or rail and the homeland security department is not forthcoming with information that other agencies need to build the infrastructure and attribute that to the "need to know".
- Border delays cost \$150 per hour per truck.
- Passenger car travel across the border has decreased by 15% since 9/11.

Economic Development

- For many economic development projects the transportation component is a make it or break it proposition.
- Manufacturing, tourism, and agriculture all rely on safe, efficient, reliable, and environmentally responsible transportation to support their part of the economy. These are the top three economic areas of the State.
- All of the speakers talked about promotion of their interest but thought the end result was economic development interest for everyone; but the Summit is a broader issue.
- All speakers talked about funding.
- Transportation is important for job creation and business attraction.

- I heard that in discussing future road expansion projects, economic development needs to be high on the list and evaluated. We also need to preserve the existing system.
- Without manufacturing, freight movement is non-existent and without freight movement nothing else exists; i.e., without manufacturing jobs to bring in income there is no money left for recreation or tourism or anything else.
- Entire transportation sector is a huge chunk of total GNP.
- Funding is needed to solve all the problems.

Intermodal Coordination

- I heard a lot that intermodal coordination is there; but a lot more room for development in this area that could affect the overall status in the State positively.
- Private sector seems to be a little ahead of the public sector in the intermodal coordination.

Maritime Industry

- 2% of the shipping traffic in the great lakes is from overseas cargo.
- The trains and the boating industry primarily focused on lower usage of fuel and lower pollution in the environment than trucks.

Rail Industry

- Compared to other transportation modes, the railroad industry receives very little in Federal dollars.
- Future freight rail development will probably depend on public/private partnerships.
- There was no discussion about passenger rail. Would have liked to learn more about that. Also want to know more about how all modes are subsidized or not by the government and at what level of government.
- Talked about a conflict between train and automobile traffic and need for more grade separations. I heard that railroads only have to pay 5% of the cost.
- The trains and the boating industry primarily focused on lower usage of fuel and lower pollution in the environment than trucks.

Tourism

- Reliance in Michigan on automobiles for tourism as compared to other states is higher.
- I heard that poor roads have been depressing the tourism industry.

Transportation System- General Comments

- Commerce and our transportation in Michigan, serves nation-wide and global. It is not just our issue; it is broader.
- Transportation of Michigan serves a wider audience, but for a small portion of Michigan. Michigan is a peninsula and has unique transportation issues because they are much more localized than a lot of states that are part of a national thruway. We do have global and international approaches through Southeast Michigan and lower counties but a lot of Michigan has different transportation systems and needs.
- Every industry and every individual job depends on our transportation system in order to survive.

- In recent years we have been hearing about preserve it first; but this has only applied to roads. I learned today that we also have to think about preserving rail corridors, airports, port authorities and bridges.
- All speakers mentioned need for more “real time” information about “systems operations”. What is happening at different points?
- According to Michigan Farm Bureau’s handout, “Transportation Policy and Recommendations”, agriculture is dependent on a sound transportation system to move materials and products to and from the market.
- Some speakers talked about the need to invest in technology that related to their industry.
- Would like to see a comparison in tonnage handled by different modes of transportation. Each speaker gave numbers but no compiled list.
- I heard two speakers talk about the need for maintenance or other upgrades but an unwillingness to have user’s fees.

Trucking Industry

- Possible retirement of 50% truck drivers in the next 5 years may drive need for this coordination more strongly than what is there now.
- One chart by Mr. Wisniewski showed many of the NAFTA trucks go through the state using the system and not paying much to use it.
- The performance of secondary trucking inspections at the border contributes to the congestion and inefficiency of that border crossing.
- The trucking industry believes they are not responsible for impact on our roads to a major extent.
- Michigan allows larger truck loads/weights than surrounding states.
- Only 10% of the trucks are over the 80,000 pounds. Perception is all trucks are over this weight. Other states allow exceeding the 80,000 pounds by permit and Michigan allows them by law. In Michigan overweight is determined by weight per axle.
- Truckers believe that our interstate system is in good shape.